



LEGISLATIVE FISCAL OFFICE
Streamlining Commission Analysis

Recommendation No. **RECOMMENDATION 176**

Streamlining Draft **AGCSEB**

Date: January 21, 2010 3:18 PM	Author:
Dept./Agy.: Retirement Systems	Analyst: Evelyn McWilliams
Subject: Purchasing Retirement Service Credit	

The legislature should consider allowing members of the Louisiana State Employees' Retirement System to purchase service credit to be used for purposes of eligibility by paying the full actuarial cost; the legislature may choose to restrict this to members who have attained the age at which they would be eligible to retire but who lack five years or less in service credit to become eligible, and to require the member to retire within 30 days of such purchase.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There would be no increase in expenditures to implement this recommendation. Current law (R.S. 11:429B) allows members of LASERS to purchase up to five years of air time (service credit for a period of time when a member did not work for the state) for purposes of computation of benefits only, so there is currently an opportunity for state employees to purchase up to five years and there is a system in place to handle such requests. Air time purchases pursuant to this recommendation could be handled the same way. Members must pay a \$150 fee to have the calculation done by the system actuary. Since the member must pay the full actuarial cost to the system, there would be no unfunded increase in cost to the system. (To the extent that implementation of this recommendation encourages individuals to retire sooner than they would normally retire, and their positions are not filled, or are filled with a lower paid incumbent, the state would realize a cost savings.)

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

☐ 13.5.1 >= \$500,000 Annual Fiscal Cost

☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change

Dual Referral Rules

House

☐ 6.8(F) >= \$500,000 Annual Fiscal Cost

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

H. Gordon Monk
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